Status Report Concerning Stroud Bankruptcy Case June 3, 2006

From April 27, 2006 through June 2, 2006 there were four visits made to the facility by the Regional Long Term Care Ombudsman.

- May 7, 2006 Scheduled visit to attend the Family Meeting that facility administrator and owner held to inform family members of facility being purchased by Health Management Resources effective June 1, 2006. Facility will be named Valley Falls Living Center.
- May 12, 2006 Unannounced on-site visit to facility nursing home unit and Assisted Living Unit during first shift hours. No problems noted.
- May 23, 2006 Unannounced on-site visit to facility nursing home unit during second shift hours. No problems noted.
- June 2, 2006 Unannounced on-site visit to the nursing home unit. Facility under new ownership as of June 1, 2006. No problems noted.

During visits to the facility residents, family members and staff members have been interviewed. The residents and family members interviewed have stated they are pleased with the care provided by the staff and hope that it will continue under the new ownership.

According to Ms. Jones, Administrator, Health Management Resources Corporate Management has been very supportive and has provided consultants for orientation and training of staff members.

Staff members who were interviewed stated they were pleased with the new ownership and felt that things were going very well.

This office was notified on May 18th that DHEC Division of Certification was in the facility on an unannounced on-site visit for the annual survey of the facility.

The Assisted Living Unit closed on May 30, 2006 with the last resident leaving on May 29, 2006. Ms. Jones stated that this building will be used for office space and storage space.

This office received one intake on June 1, 2006 concerning improper handling of a resident by a staff member and the investigation is currently open. The incident occurred on May 31, 2006. The facility did initiate an investigation. According to Ms. Gloria Simmons, Director of Nursing, appropriate corrective action was implemented in that the staff member did receive a written warning, counseling and additional staff in-service training. There have been no other complaints filed with this office concerning Stroud Nursing Center.

A reception was given at the facility on June 1, 2006 for staff members to meet the new owners and management of the facility. A reception will also be given on June 4, 2006 at the facility for family members and residents to meet the new owners and management of Falls Creek Living Center.

Time given to work on this case since April 27, 2006 = 8 Hours 30 minutes. Travel time for the 4 on-site visits = 4 hours Miles traveled for the 4 on-site visits = 124 Miles

/s/ Nancy C. Hawkins, Regional Long Term Care Ombudsman

June 3, 2006